



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-34, Pennsylvania Cities Income Tax Withholding

Date: December 22, 2005

To: Holders of TAXES (State of Pennsylvania only)  
Personnel User Groups  
T&A Contact Points in Pennsylvania

Beginning with wages for Pay Period 25, the National Finance Center (NFC) will correct the withholding of city income taxes for the city of Pittsburgh, Pennsylvania to 1.00%. This change will return the percentage to its previous rate which is still in effect. Any overpayment should be resolved by employees at the time of tax return filing.

Also, beginning with wages for Pay Period 25, NFC will change the withholding of city income tax for the city of Philadelphia, Pennsylvania. The income tax rate will decrease to 4.301% for residents and 3.7716% for non-residents.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

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# Pennsylvania Cities Income Tax Information

## Withholding Formula ►(Effective Pay Period 25, 2005)◄

1. Subtract the nontaxable biweekly Federal Employees Health Benefits (FEHB) payment from the gross biweekly wages.  
**Note:** The biweekly FEHB payment is *taxable* income for the city of Philadelphia; therefore, do *not* subtract the biweekly FEHB payment when computing Philadelphia city income tax.
2. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
3. Apply the annual wages to the following guideline to determine the annual Pennsylvania city income tax withholdings.

### Compute the City Income Tax Withholding For:

### By Multiplying the Gross Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station = DS; Resident = R)
Bethlehem	42/0660	1.0000	1.0000	DS, R
Bradford ( <i>voluntary</i> )	42/0840	1.0000	1.0000	
Caln	42/1044	1.0000	1.0000	DS, R
Camp Hill ( <i>voluntary</i> )	42/1060	2.0000	1.0000	
Carlisle	42/1100	1.6000	1.0000	DS, R
Erie	42/2640	1.1500	1.1500	DS, R
Fairview Township	42/2769	1.0000	1.0000	DS, R
Greene Township	42/3343	1.0000	1.0000	DS, R
Gregg Township	42/3396	1.0000	1.0000	DS, R
Hanover Township	42/3470	1.0000	0.0000	DS, R
Harrisburg	42/3500	1.0000	1.0000	DS, R
Horsham	42/3740	1.0000	1.0000	DS, R
Kelly Township	42/4053	2.0000	1.0000	DS, R
Lancaster	42/4180	1.1000	0.0000	DS, R
Philadelphia	42/6540	►4.301◄	►3.7716◄	DS, R
Pittsburgh	42/6600	►1.0000◄	1.0000	DS, R
Plains Township	42/6615	1.0000	1.0000	DS, R
Reading	42/6900	1.7000	0.5000	DS, R
Scranton	42/7460	3.4000	1.0000	DS, R
South Lebanon	42/7894	1.0000	0.0000	DS, R
Susquehanna	42/8280	0.0000	0.0000	DS, R
Tinicum	42/8445	1.0000	1.0000	DS
Warminster Township	42/8845	1.0000	1.0000	DS, R
Wilkes-Barre	42/9340	2.8500	1.0000	DS, R
York	42/9610	1.0000	1.0000	DS, R

**Note:** City tax is mandatory unless otherwise indicated.

4. Divide the annual Pennsylvania city income tax withholding by 26 to obtain the biweekly Pennsylvania city income tax withholding.